

RURAL HIGH-SPEED INTERNET ACCESS TASKFORCE MEETING

Public Hearing January 4, 2008 City Utilities Springfield Springfield, Missouri

ATTENDANCE LIST

Taskforce Members

Sen. John Griesheimer, District 26
Sen. Wes Shoemyer, District 18 (via phone)
Rep. Joe Aull, District 26
Chuck Bryant
Estil Fretwell
Dr. Craig Klimczak (via phone)
Arthur Martinez
Bill Mitchell (via phone)
Bill Rohde (via phone)
Dan Ross
John Sondag (for Cindy Brinkley)
Tracy Weddle (via phone)
Michael Zarrilli (via phone)

Staff Members

Jerry Dowell
Bob Donnelly
Elizabeth Hobbs (via phone)

Witnesses

Gail Hinshaw
Phillis Lovette
Otto Lynch
David Simmet
Mike Stoudt
John Twitty
Scott Zimmer

Other Guests

Craig Johnson
Matthew Thomas
Rep. Charlie Norr, District 137
Rep. Jay Wasson, District 141

1. Welcome and Introductory Remarks - Senator John Griesheimer

In the absence of Lt. Governor Peter Kinder, Senator John Griesheimer called the meeting to order at approximately 10:00 a.m.

2. Roll Call of Members

Sen. Griesheimer asked the taskforce members present either in person in Springfield or via the conference call to state their names for the record.

3. Public Testimony

Sen. Griesheimer welcomed everyone and thanked City Utilities of Springfield for hosting the meeting. He reminded everyone who wished to speak that they needed to fill out a Witness form. The following people were asked to come forward and testify:

- 1st Witness: John Twitty – City Utilities Springfield, MO
Mr. Twitty welcomed everyone to City Utilities, Springfield and Southwest Missouri. He stated that telecommunications is a topic that's important to Missouri, across America, to everyday citizens and to economic development and growth of our communities. John Twitty suggested the best way for telecommunications services to go forward was to use a "Quilt" approach. He said there are a lot of people and companies who can work together to provide internet service to the rural areas some larger providers wouldn't be interested in serving. Mr. Twitty concluded his remarks by saying City Utilities was committed to helping in a productive and professional way.
- 2nd Witness: John Kelly – Don E. Kelly Contractor
Mr. Kelly was not present to testify.
- 3rd Witnesses: Scott Zimmer & David Simmet – Air Advantage Franchising Group, Michigan
Mr. Zimmer and Mr. Simmet gave a PowerPoint presentation about the history of Air Advantage; the demographics of the area they serve in Michigan; the loans and grants that have enabled them to expand and improve the services they provide; and how broadband makes a difference in the personal lives, work lives, community activities and education of the people they serve in Michigan. (The presentation is available on the Rural High-Speed Internet Access website.) Mr. Zimmer identified the difficulty of obtaining affordable financing, the difficulty of gaining access to vertical assets, such as water towers, and the administrative burden of running a wireless internet service provider business as barriers to rural broadband internet service expansion. He stated that the government could help by making affordable financing and access to vertical assets available.
- 4th Witness: Jim Hart – Pneumatek, Inc.
Mr. Hart was not present to testify, but was thought to have submitted written testimony.
- 5th Witness: Phillis Lovette – President, Missouri Council of the Blind
Ms. Lovette stated the MO Council of the Blind was concerned about the cost of rural internet service, especially for disabled people who are usually on a fixed income. She asked that the taskforce consider suggesting lower prices for internet access for disabled people.
- 6th Witness: Gail Hinshaw – The Mountain Complex
Mr. Hinshaw said he one of the owners and principals of The Mountain Complex, a world-class storage facility located inside a mountain just north of Branson, MO. He stated that he wanted to share what they had learned about economic development and its tie to internet connectivity. Mr. Hinshaw said in four years The Mountain Complex had become very successful as a high-security storage facility; however they did not need to employ many people to maintain it, so they began to investigate data centers as a way to increase job growth for the area. He said they realized they would need a good, reliable and economic source of electric power, which they were able to obtain from White River Valley Electric Co-op, and internet connectivity, which they were able to obtain due to the willingness of CenturyTel, and 4 other fiber companies, to invest large amounts of money to improve their infrastructures and build a 'sonic ring' in and out of the mountain. Mr. Hinshaw said the most important thing about all this is the job growth it is creating. He reported that they currently have 6 data centers located in The Mountain Complex and have leases with several other well known, national companies who will be building their own very large data centers. Mr. Hinshaw summed up his remarks by emphasizing that The Mountain Complex is a prime example of the impact high-quality; high-speed internet can have on the economic growth of an area.

➤ 7th Witness: Otto Lynch - Power Line Systems, Christian County

Mr. Lynch stated he wished to testify about the lack of internet options in Christian County and the lack of infrastructure development and re-investment by AT&T (formerly SBC) in existing neighborhoods. He said after his company allowed him to move back to Nixa, MO from Portland, OR, he was unable to receive DSL internet service even though he had been told he would be able to. He gave many examples of problems he has experienced in the last five years while trying to obtain DSL internet service. He said not only does SBC (AT&T) have no plans to offer DSL internet service in existing neighborhoods (they will only install fiber in new housing developments), they have kept him from receiving DSL service from Ozark Technology because of a lawsuit SBC had filed against Ozark Technology citing that they were part of a public utility, named Ozark Electric, and public utilities aren't allowed to compete against private companies. In addition, he talked about many problems he and his neighbors had experienced because of SBC's antiquated telephone lines, which were continually being struck by lightening and how after contacting SBC numerous times regarding a phone line that lay on open ground for over a year, he had to file a complaint with the Public Service Commission in order to force SBC (AT&T) to bury the phone line and to make proper repairs to people's yards after they finally buried the phone line. Mr. Lynch suggested that one of the recommendations the taskforce needs to make in the report to the Governor is to ask SBC (AT&T) to reinvest the money they are making to update their infrastructures in Christian County and southwest Missouri. In conclusion, Mr. Lynch stated that he is frustrated by people who think broadband access is a luxury and not a necessity. He said for his job he has to communicate with people all over the world and feels embarrassed that people in "developing" counties often have better internet access than he does. Mr. Lynch stated that we should be concerned about making sure Missouri is on the cutting edge of all technologies in order to be able to compete for jobs and investments on a global scale.

➤ 8th Witness: Mike Stoudt – Plant Manager, Choctaw Telephone Company in Halltown, MO

Mr. Stoudt testified that Choctaw Telephone Company offers local and metro telephone service, long distance and high-speed DSL internet service to Halltown and surrounding areas. He stated that Choctaw Telephone Co has around 125 customers who purchase DSL service and has worked very hard to be able to provide these services to 100% of their customer base.

Public testimony ended at approximately 11:16 a.m.

4. Adjournment

Sen. Griesheimer asked if there was any further business. Jerry Dowell announced the upcoming meeting in Hannibal, MO on January 7.

The meeting ended at approximately 11:18 a.m.